

**FORM
INSP**Rev
05/11**State of Colorado****Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



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Inspection Date:

09/28/2012

Document Number:

669400141

Overall Inspection:

Violation**FIELD INSPECTION FORM**

Location Identifier: 428388 Facility ID: 428391 Loc ID: Tracking Type: Inspector Name: LABOWSKIE, STEVE

Operator Information:OGCC Operator Number: 46685 Name of Operator: KINDER MORGAN CO2 CO LPAddress: 17801 HWY 491City: CORTEZ State: CO Zip: 81321**Contact Information:**

Contact Name	Phone	Email	Comment
Clayton, Bob	(970) 882-5507/ (303) 585-1309	bob_clayton@kindermorgan.com	Operations Superintendent (Dolores)
LEONARD, MIKE		mike.leonard@state.co.us	

Compliance Summary:QtrQtr: NWSE Sec: 29 Twp: 38N Range: 18W**Inspector Comment:**

Post drilling inspection. Pit open, cuttings still on location in area between pit and spoil pile. Nabors #148 stacked out on land adjacent to HA-4 location.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
428388	WELL	XX	03/30/2012		083-06693	HA 4	X
428408	PIT		03/30/2012		-	HA 4	

Equipment:Location Inventory

Special Purpose Pits: Drilling Pits: 2 Wells: 1 Production Pits:
 Condensate Tanks: Water Tanks: 2 Separators: Electric Motors:
 Gas or Diesel Motors: Cavity Pumps: LACT Unit: Pump Jacks:
 Electric Generators: Gas Pipeline: Oil Pipeline: Water Pipeline:
 Gas Compressors: VOC Combustor: Oil Tanks: Dehydrator Units:
 Multi-Well Pits: Pigging Station: Flare: Fuel Tanks: 1

Location**Lease Road:**

Type	Satisfactory/Unsatisfactory	comment	Corrective Action	Date
Main	Unsatisfactory	extensive weed infestations on disturbed soils along access road	implement weed control program per Rule 603.j	04/07/2013

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	Unsatisfactory	completion tanks have no labels	Install sign to comply with rule 210.d.	10/15/2012
WELLHEAD		not installed yet		

Emergency Contact Number: (S/U/V) Unsatisfactory Corrective Date: 10/22/2012

Comment: no operator emergency contact # could be found on location

Corrective Action: install 24-hour operator contact number

Good Housekeeping:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
STORAGE OF SUPL	Unsatisfactory	Drilling rig (Nabors #148) stored in large area of additional disturbance adjacent to HA-4 location.	Move rig from current location or obtain variance for it to remain	10/02/2012
STORAGE OF SUPL		Heavy equipment also on SW corner of location and NW corner of disturbance, uncertain if these are in use or being stored.		

Spills:				
Type	Area	Volume	Corrective action	CA Date
Lube Oil		<= 5 bbls	Oil, grease and other contaminants from stored drill rig observed washing off equipment and onto plastic and running off plastic onto soils and vegetation, clean-up/remove contaminated soils, prevent further spills.	10/15/2012
Other		<= 5 bbls	Clean up leaking produced water and contaminated soils on Northeast side of location	10/15/2012
Other		<= 5 bbls	Clean up contaminated soils from fluids that have moved away from cuttings pile on Northwest side of location	10/17/2012
Other		> 5 bbls	Fluids observed leaching into spoil/soil pile where cuttings pile is next to oan on top of segregated soils/spoil pile. Probable greater than 5 bbls, evaluate when cuttings are removed	10/15/2012

☐ Multiple Spills and Releases?

Fencing/:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
PIT	Satisfactory			

Facilities:		<input type="checkbox"/> New Tank		Tank ID: _____	
Contents	#	Capacity	Type	SE GPS	
PRODUCED WATER	2	OTHER	OTHER		
S/U/V:	Violation		Comment: rental tank and temporary containment vessel appear to be leaking produced water, see picture #153.		
Corrective Action:			clean up contaminated soils, submit form 19 if over 5 bbls. (did not appear to be at time of inspection), prevent further releases. Label all tanks per Rule 210.d		Corrective Date: 10/15/2012
Paint					
Condition	Inadequate				
Other (Content)	produced water				
Other (Capacity)	no capacity label				
Other (Type)					
Berms					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Other	Inadequate	Walls Insufficient	Base Insufficient	Inadequate	
Corrective Action	install adequate and impermeable spill prevention and achieve 110% secondary containment of largest vessel.			Corrective Date 10/12/2012	
Comment	can't tell if leaking on seam or through wall or base of vessel				
Venting:					
Yes/No	Comment				
Flaring:					
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date	
Predrill					
Location ID: 428391					
Site Preparation:					
Lease Road Adeq.: Satisfactory		Pads: Unsatisfactory		Soil Stockpile: Violation	
Corrective Action:		Install appropriate erosion control BMPs for soil stock pile		Date: 10/12/2012	CDP Num.: _____
Form 2A COAs:					

Group	User	Comment	Date
OGLA	kubeczkod	<p>SITE SPECIFIC COAs:</p> <p>Either a lined drilling pit or closed loop system must be implemented.</p> <p>Production pit or any other pit constructed to hold fluids or salt based cuttings must be lined.</p> <p>The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts prior to offsite disposal.</p> <p>No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.</p> <p>Operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals, and maintained in good condition.</p> <p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.</p> <p>If the well is to have hydraulic fracturing treatment, then flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or pit located on the well pad or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.</p> <p>All personnel must be H2S trained and proper air monitoring for H2S must be implemented during drilling, completion, and production operations. Emergency response plan for H2S must be onsite at all times.</p>	02/17/2012

Comment: Cuttings still on site, pit still open, extent of liner under cuttings unclear, large cuttings pile is flowing over onto spoil/soil piles and becoming intermingled. Inadequate downslope berming. Currently there is a leaking completion tank and containment vessel on location.

CA: Dispose of cuttings off site. Clean-up and remediate any associated spill/contaminated area from flowback tanks or related to cuttings management, report if over 5 bbls. Obtain 110% containment of any vessel

Date: 10/18/2012

Wildlife BMPs:

BMP Type	Comment
Storm Water/Erosion Control	Disturbed portions of the well pad not necessary for operation and maintenance of the well would be re-contoured and roughened to blend into the surrounding terrain. In addition, a land-owner approved seed mix would be applied at the appropriate time using seeding and mulching methods outlined in the Kinder Morgan Programmatic Stormwater Management Plan.
Storm Water/Erosion Control	Fiber wattles will encompass the entire western periphery of the well pad and will continue wrapping approximately 100 feet of the southern periphery.
Storm Water/Erosion Control	A culvert will be placed under the access and have a wattle placed at the culvert outlet.

Comment: Location and associated disturbance much larger than 2.53 acres stated on Form 2A

Inspector Name: LABOWSKIE, STEVE

CA: Begin interim reclamation and start reclaiming all disturbed areas that are not needed for subsequent well operations.

Date: 10/04/2012

Stormwater:

Erosion BMPs	Present	Other BMPs	Present
WADDLES	No	Self Inspection	No`

Corrective Action: _____ Date: _____

Comments: Erosion BMPs: _____

Other BMPs: _____

Comment: location berm on edge of pad on south and west sides

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 428388 Type: WELL API Number: 083-06693 Status: XX Insp. Status: PR

Producing Well

Comment: 2 tanks plumbed in, pressure on wellhead gauges, this well is either producing or still being completed.

Environmental

Spills/Releases:

Type of Spill: FLUID Description: _____ Estimated Spill Volume: _____

Comment: fluids also appear to have come off cuttings pile and onto location and into spoil pile.

Corrective Action: clean up spills on location and in rig storage area Date: 10/12/2012

Reportable: NO GPS: Lat _____ Long _____

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

DWR Receipt Num: _____ Owner Name: _____ GPS : _____ Lat _____ Long _____

Field Parameters:

Sample Location: _____

Waste Management:

Type	Management	Condition	Comment	GPS (Lat)	(Long)
Drill Cuttings	Piles	Inadequate	see picture #161		

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit**Interim Reclamation:**

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: CRP, DRY LAND

Comment: wood and debris piles pushed back to build access and pipeline

1003a. Debris removed? Pass CM _____

CA _____ CA Date _____

Waste Material Onsite? Fail CM cuttings, fluid spillsCA remove cuttings, clean up any spillsCA Date 10/15/2012Unused or unneeded equipment onsite? Fail CM drill rig stacked next to locationCA move rig or obtain varianceCA Date 10/15/2012Pit, cellars, rat holes and other bores closed? In CM _____

CA _____ CA Date _____

Guy line anchors removed? _____ CM _____

CA _____ CA Date _____

Guy line anchors marked? _____ CM _____

CA _____ CA Date _____

1003b. Area no longer in use? In Production areas stabilized? In1003c. Compacted areas have been cross ripped? In1003d. Drilling pit closed? In Subsidence over on drill pit? _____Cuttings management: cuttings not removed, off liner and becoming intermingled with segregated soils

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____

Production areas have been stabilized? In Segregated soils have been replaced? In**RESTORATION AND REVEGETATION**CroplandTop soil replaced In Recontoured In Perennial forage re-established InNon-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: Large area disturbed, interim needs to begin on all areas that will no longer be used, including rig storage disturbance.

Overall Interim Reclamation _____

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____

Date Final Reclamation Completed: _____

Final Land Use: DRY LAND

Reminder: _____

Comment: _____

Well plugged _____

Pit mouse/rat holes, cellars backfilled _____

Debris removed _____

No disturbance /Location never built _____

Access Roads _____

Regraded _____

Contoured _____

Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____

Locations, facilities, roads, recontoured _____

Compaction alleviation _____

Dust and erosion control _____

Non cropland: Revegetated 80% _____

Cropland: perennial forage _____

Weeds present _____

Subsidence _____

Comment: _____

Corrective Action: _____

Date _____

Overall Final Reclamation

Multi-Well Location

**Storm Water:**

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Compaction	Pass			SI	Fail	
Waddles	Fail	Compaction	Pass	SR	Fail	
Berms	Pass	Drains	Pass	MHSP	Fail	

S/U/V: **Violation**Corrective Date: **10/15/2012**

Comment: leaking tank, cuttings management, erosion control BMPs and contamination from leaking stored equipment are issues that need attention at this location. Approved Form 2A requires fiber wattles on the entire western side and approx. 100' of southern side of disturbance. No wattles are present at the HA-4 location.

CA: Move rig equipment and clean up stained soils, begin remediating disturbance or obtain variance to store equipment in current location and add adequate stormwater/spill prevention BMPs. Fix leaking tank and inadequate containment vessel, clean-up contaminated soils. Install erosion appropriate control BMPs for west and south sides of disturbance and soil/spoil piles.

Pits:

Pit Type: <u>Drilling Pit</u>	Lined: <u>YES</u>	Pit ID: _____	Lat: _____	Long: _____
<u>Lining:</u>				
Liner Type: <u>HDPE</u>	Liner Condition: <u>Inadequate</u>			
Comment: <u>"T" post through liner</u>				
<u>Fencing:</u>				
Fencing Type: <u>Livestock</u>	Fencing Condition: <u>Adequate</u>			
Comment: _____				
<u>Netting:</u>				
Netting Type: _____	Netting Condition: _____			
Comment: _____				
Anchor Trench Present: <u>YES</u>	Oil Accumulation: <u>NO</u>	2+ feet Freeboard: _____		
Pit (S/U/V): <u>Satisfactory</u>	Comment: <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div>			
Corrective Action: <div style="border: 1px solid black; height: 1.2em; width: 100%;"></div>	Date: _____			

COGCC Comments

Comment	User	Date
No stormwater BMPs installed at or near the stockpiled soil from the site construction (Rule 1002 f 2 C, 1002 e 1). The stockpiled soil were not readily marked or documented as to proper separation (Rule 1002 b 2). No obvious stockpiled soil protection measures were being taken (Rule 1002 c). Cuttings and soil piles/spoil pile are becoming comingled.	labowsks	10/03/2012
The inspection found wet drill cuttings were being stored between the pit and the soil stockpile. Fluids from the cuttings were draining onto what appear to be unlined areas of the location. An area on the stockpiled soil had apparently used for storage of excess cement pumped out of the well during a cementing process (902 a, 907 f). 2 completion/flowback tanks were observed plumbed into wellhead with temporary flexible synthetic material spill prevention devices. One had fluid inside walls and also appeared to be leaking through vessel and onto location. There are a few areas of what appear to be dried drilling mud, cuttings and or cement observed on the northeast part of location by pit.	labowsks	10/03/2012
Drilling rig being stored on additional land adjacent to location. Road now worn in around rig storage area. Most equipment stored on plastic, ground is sloped, not flat, no downslope berms or containment/spill prevention. Recent rains had washed grease and oil off equipment and onto plastic. Oil was then transported downslope accross plastic and onto ground and vegetation. See attached photo #186. Rule (1002.e 1) violation.	labowsks	10/03/2012

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
669400141	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3002087
669400142	leaking tank and containment vessel	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=2996948
669400143	fluids leaking off rig equipment and plastic	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=2996949
669400145	cuttings	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=2996950